



# City of Sunnyvale

## Agenda Item-No Attachments (PDF)

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### **REPORT TO COUNCIL**

#### **SUBJECT**

Authorize the Issuance of Two Blanket Purchase Orders to Univar Solutions USA for Purchase of Chemicals at the Water Pollution Control Plant (F20-176 & F20-177)

#### **REPORT IN BRIEF**

Approval is requested to authorize the issuance of two blanket purchase orders in an amount not to exceed \$180,000 for Sodium Hypochlorite and \$160,000 for Sodium Bisulfite with Univar Solutions USA, Inc. of Kent, Washington, for chemicals used at the Sunnyvale Water Pollution Control Plant (Plant) for wastewater treatment for a one-year period. Approval is also requested to authorize the City Manager to amend the purchase orders during the one-year period, subject to available budget and if pricing and service remain acceptable to the City.

#### **EXISTING POLICY**

Section 2.08.070(b)(3) authorizes the purchase of goods and/or services to be exempted from the competitive bidding requirements when the solicitations of bids or proposals would be impractical, unavailing or impossible.

Additionally, City Council approval is required for the procurement of goods and/or services exceeding \$100,000 in any one transaction.

#### **ENVIRONMENTAL REVIEW**

The action being considered does not constitute a "project" within the meaning of the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines section 15378(a) as it has no potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment.

#### **BACKGROUND AND DISCUSSION**

The Plant regularly uses Sodium Hypochlorite for disinfection and Sodium Bisulfite for the dichlorination wastewater treatment processes. Sodium Hypochlorite (liquid), or strong bleach, is used to drastically reduce the number of pathogens that are in the wastewater. Sodium Bisulfite (liquid) is used for removing chlorine (dechlorinate) from treated wastewater prior to discharge into the Plant's receiving waters. Chlorine is highly toxic to aquatic organisms and must be neutralized to protect those organisms in the Plant's receiving waters. The National Pollution Discharge Elimination System (NPDES) permit requires the Plant to completely remove all chlorine prior to discharge to the lower San Francisco Bay.

Sodium Bisulfite is also used to partially dechlorinate recycled water prior to the Plant delivering it into the City's recycled water system. Recycled water requirements outlined in the Title 22 permit results in highly chlorinated water requiring partial dichlorination of this recycled water prior to

supplying it to customers. Also, Sodium Bisulfite is used to partially dechlorinate 3-Water (treated wastewater used in-house for engine generator cooling, dual plumbing, irrigation, etc.) which is recycled within the Plant for use in various components.

These chemicals were solicited for bids in 2014 by the Bay Area Chemical Consortium (BACC) and the City Council awarded two purchase orders to Univar Solutions USA, Inc. (Univar) in August 2014 (RTC No. 14-0773) that expire on June 30, 2020. The BACC leverages volume purchasing power on behalf of over 60 water and wastewater agency members across the Bay Area region. A new Invitation for Bids to establish contracts for these two chemicals was intended to be conducted in early 2020 by the BACC. Due to COVID19 and the impact on staffing, the reduced ability to effectively connect with member agencies and the limited availability of potential suppliers, the coordinating lead agency, Dublin/San Ramon Services District (DSRD), was unable to conduct the planned bidding event for the suite of chemicals used in water and wastewater treatment industries that typically participate in this process. After Shelter-In-Place Orders were put in place due to COVID19, the BACC requested its participating members and the chemical suppliers extend their contracts for FY 2020/21 while holding prices firm. Univar, the City's current supplier, has agreed to hold its current prices for Sodium Hypochlorite and Sodium Bisulfite during FY 2020/21.

Considering that the best competitive pricing for these chemicals would be conducted in cooperation with the BACC and there is not enough time to bid these items separately, staff recommends that one-year blanket purchase orders for Sodium Hypochlorite and Sodium Bisulfite be awarded to Univar. The City intends to participate in the BACC bidding process during FY 2020/21 for future award periods to ensure continued competitive pricing. These recommended awards will be presented to City Council after the conclusion of that bid process.

### **FISCAL IMPACT**

Although chemical usage fluctuates each year, sometimes substantially, it is estimated that \$180,000 will be needed for Sodium Hypochlorite and \$160,000 will be required for Sodium Bisulfite during this blanket purchase order period. These amounts may need to be increased based on the dynamic changes in the secondary treatment process that can impact the amount of Sodium Hypochlorite needed to disinfect. Specifically, demand for Sodium Hypochlorite increases when producing recycled water. When more Sodium Hypochlorite is used, increased Sodium Bisulfite is needed to neutralize residual chlorine. The requested amount for both chemicals is based on tracking usage data over many years associated with a wide variety of operating conditions. It is expected that this will be sufficient to provide these chemicals during FY 2020/21. Budgeted funds are available in operating program 365 (Wastewater Management).

### **PUBLIC CONTACT**

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, Sunnyvale Public Library and Department of Public Safety; and by making the agenda and report available at the Office of the City Clerk and on the City's website.

### **RECOMMENDATION**

Take the following actions:

- Authorize the issuance of a one-year blanket purchase order to Univar Solutions USA, Inc., in substantially the same form as Attachment 1 to the report, for the purchase of Sodium Bisulfite in the amount of \$160,000; and
- Authorize the issuance of a one-year blanket purchase order to Univar Solutions USA, Inc., in

substantially the same form as Attachment 2 to the report, for the purchase of Sodium Hypochlorite in the amount of \$180,000; and

- Authorize the City Manager to amend the blanket purchase orders during the one year period subject to available budget and if pricing and services remain acceptable to the City.

Prepared by: Gregory S. Card, Purchasing Officer

Reviewed by: Tim Kirby, Director of Finance

Reviewed by: Ramana Chinnakotla, Director of Environmental Services

Reviewed by: Jaqui Guzmán, Deputy City Manager

Approved by: Kent Steffens, City Manager

### **ATTACHMENTS**

1. Draft Purchase Order for Purchase of Sodium Bisulfite
2. Draft Purchase Order for Purchase of Sodium Hypochlorite